

Internal Revenue Service

Department of the Treasury

District  
Director

P.O. Box 2350 Los Angeles, Calif. 90053

Person to Contact:

Telephone Number:

Refer Reply to:

Date:

OCT 04 1990

Employer Identification Number:

Dear Applicant:

This is in reference to your application for exemption from Federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code.

In a previous contact made with your organization, you were informed that it was our opinion that you did not qualify for exemption from Federal income tax as an organization described in section 501(c)(3) of the Code. We have previously informed you of your rights of appeal in this matter and, if you were in agreement with our conclusions, we requested that you execute an agreement Form 6018.

You have indicated your agreement to our conclusion that you do not qualify for exemption from Federal income tax as an organization described in section 501(c)(3) of the Code by executing and returning the Consent to Proposed Adverse Action Form 6018.

Accordingly, we conclude that you do not qualify for exemption from Federal income tax as an organization described in section 501(c)(3) of the Code and, furthermore, contributions made to you are not deductible by the donors for Federal income tax purposes.

The appropriate state officials will be notified of this action as required by section 6101(c) of the Code.

Sincerely yours,



District Director

Internal Revenue Service

Department of the Treasury

District  
Director

P.O. Box 2350 Los Angeles, Calif. 90053

Person to Contact: [REDACTED]

Telephone Number: [REDACTED]

Refer Reply to: [REDACTED]

Date: [REDACTED]

[REDACTED]

Dear [REDACTED]:

Per our telephone conversation today, enclosed please find our Pub. 557 and several items which explain the purposes and requirements for an organization to be exempt from Federal income tax under code section 501(c)(6). To reiterate those requirements, a 501(c)(6) organization must have the following characteristics:

- (1) It must be an association of persons having some common business interest, and its purpose must be to promote this common business interest;
- (2) It must not be operated for profit;
- (3) No part of its net earnings may inure to the benefit of any private shareholder or individual;
- (4) Its activities must be directed to the improvement of business conditions of one or more lines of business as distinguished from the performance of particular services for individual persons;
- (5) Its purpose must not be to engage in a regular business of a kind ordinarily carried on for profit, even if the business is operated on a cooperative basis or produces only sufficient income to be self-sustaining;
- (6) It must be primarily engaged in activities or functions constituting the basis for exemption and its primary activity cannot be performing particular services for individual persons.

Your organization seems to fail the requirements of 1(b), 3, 4, 5, and 6.

If you agree with this determination, please sign both copies of the enclosed Form 6018 and return to me in the enclosed self addressed envelope. If you wish to discuss any of the items further, please feel free to call me at the above phone number. Also enclosed please find a publication which explains your Appeal rights in the case of an adverse decision.

As we discussed, from the financial information in your case file, there seem to be no tax consequences to your organization if you do not achieve 501(c)(6) exempt status. Your expenses almost equal your income in every year for which you have submitted information.

The failure to achieve exemption from federal income tax does not affect your status as a non-profit organization.

Yours very truly,

Tax Law Specialist